



GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

November 19, 2012

CERTIFIED RETURN RECEIPT  
7011 0110 0001 3568 4053

Velina Miller  
Quality Building Stone  
933 West 14730 South  
Bluffdale, Utah 84065

Subject: Review of Reclamation Surety, Quality Building Stone, Lucero Red Quarry,  
S/055/023, Wayne County, Utah

Dear Ms. Miller:

The last surety estimate for the Lucero Red quarry was done in 2004 and escalated to 2009 dollars. The surety amount needs to be adjusted to account for changes in reclamation costs and the amount of disturbance.

In a letter dated May 4, 2011, the Division requested an on site inspection so that the disturbed and partially reclaimed areas could be calculated and the bond adjusted. Since then the Division has been unable to set up an on-site meeting.

Based on average reclamation costs, the surety amount needs to be increased from \$22,000.00 to either \$27,100 for a 3-year escalation or \$27,700 for a 5-year escalation. The average reclamation costs are outlined below:

### Small Mining Operation 5 Acres or Less

Project Size (Acres)	Surety 3 & 5 year escalation 2012	Comments
1 or less acres	\$7,900 (3-year escalation) \$8,100 (5-year escalation)	Minimum amount required
Additional acres up to 5 total acres	\$4,800/ acre (3-year escalation) \$4,900/acre (5-year escalation)	Partial acreages rounded up (e.g., 1.2 acres = 2 acres)
Cumulative Amount for 5 acres	\$27,100 (3-year escalation) \$27,700 (5-year escalation)	\$1,100 difference between 3- and 5-year escalation for 5 acres of disturbance.



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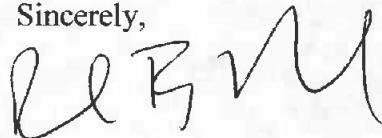
Please contact the bond coordinator, Penny Berry, at 801-538-5291 or by e mail at [pennyberry@utah.gov](mailto:pennyberry@utah.gov) for information about submitting the additional bond. Your current bond is in the form of letter of credit with Far West Bank. You may increase the letter of credit or choose an alternative bond. Bonding forms are available on the Internet at <http://www.ogm.utah.gov/minerals/MINERALSFORMS.htm>.

As an alternative to increasing the surety amount, the reclamation liability can be decreased by reclaiming a portion of the site and amending the Notice of Intention to Commence Small Mining Operations to show the decreased acreage. If you decide to pursue this option, please contact the lead inspector Wayne Western at 801 538-5263. The Division would need to continue to hold adequate surety for the reclaimed area while vegetation is becoming established.

Please provide the additional surety or perform the reclamation no later than January 15, 2013.

Thank you for your help in keeping the surety current. If you have any questions concerning this letter, please contact me at 801-538-5261 or lead at 801-538-5263.

Sincerely,



Paul B. Baker  
Mining Program Manager

PBB:whw:pb  
cc: [sfivecoa@blm.gov](mailto:sfivecoa@blm.gov)  
[jreay@blm.gov](mailto:jreay@blm.gov)  
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